



June 12, 1990

Reply To
Attn Of: SO-125

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Dale H. Daniels, President
Lockheed Shipbuilding Company
c/o William A. Sullivan
Legal Department
4500 Park Granada Blvd.
Calabosas, CA 91399

RECEIVED
JUN 12 1990
SUPERFUND BRANCH

Re: Lockheed Shipbuilding Company
2929 16th Avenue S.W.
Seattle, Washington
(Harbor Island Superfund Site)



Dear Mr. Daniels:

The United States Environmental Protection Agency (U.S. EPA) has documented the release or threatened release of hazardous substances, pollutants and contaminants at the Harbor Island Superfund Site (Site), including the Lockheed Shipbuilding Company property located at 2929 16th Avenue S.W. (Lockheed Shipbuilding Property). The U.S. EPA has already initiated a remedial investigation/feasibility study (RI/FS) for the control of the release or threatened release at portions of the Harbor Island site. It is now preparing to initiate a separate RI/FS for the control of the release or threatened release at the Lockheed Shipbuilding Property. Unless the U.S. EPA determines that a potentially responsible party (PRP) will properly and promptly perform such action, the U.S. EPA will commence further action at the Lockheed Site pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, (CERCLA), 42 U.S.C. Section 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986, Public Law 99-499, 100 Stat. 1613 (1986) (SARA).

The U.S. EPA has information that you are a PRP for the Harbor Island Site. Therefore, pursuant to Section 122(e) of SARA, this letter is to notify you of your potential liability with respect to the Lockheed Shipbuilding Property. At this time, the U.S. EPA is aware of no other PRPs for the Lockheed Shipbuilding Property.

According to Section 107 of CERCLA, PRPs who may be liable include the current and former owners or operators of the site, and persons who generated the hazardous substances or were involved in the transport, treatment, or disposal of them at the site. Pursuant to Section 122(e) of SARA, the U.S. EPA has

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PRP #30
M-0027

determined that a period of negotiation will facilitate an agreement under which Lockheed Shipbuilding Company may perform the RI/FS for the Lockheed Shipbuilding Property. You will have a maximum of 60 calendar days from the date of receipt of this Special Notice Letter to present to the U.S. EPA a "good faith" proposal that includes a definite start date and time lines for implementing and conducting the following activities:

1. A Remedial Investigation to identify the local hydrogeological characteristics and to define the nature and extent of soil, air, ground and surface water contamination at the Lockheed Shipbuilding Property, and
2. A Feasibility Study to develop and evaluate possible remedial actions to remove or contain hazardous substances, pollutants, and contaminants at the Lockheed Shipbuilding Property.

A "good faith" proposal is a written proposal which demonstrates the your qualifications and willingness to conduct or finance the Remedial Investigation/Feasibility Study (RI/FS). A "good faith" proposal should include the following:

1. A statement of your willingness to conduct or finance the RI/FS that is generally consistent with EPA's enclosed statement of work and draft administrative order on consent and provides a sufficient basis for further negotiations;
2. A paragraph-by-paragraph response to EPA's draft administrative order on consent;
3. A demonstration of your technical capability to undertake the RI/FS. Include the name of the contractor you have selected to conduct the RI/FS and a summary of the contractor's qualifications;
4. A demonstration of your financial capability to finance the RI/FS;
5. A statement of your willingness to reimburse EPA for the costs EPA incurs in overseeing your conduct of the RI/FS as required by Section 104(a)(1); and
6. The name, address, and phone number of the person who will represent you in negotiations.

The U.S. EPA would like to encourage "good faith" negotiations between you and the Agency.

During the 60 calendar day period, beginning on the date of receipt of this Special Notice Letter, the U.S. EPA will not commence the RI/FS at the Lockheed Shipbuilding Property. If you

provide the Agency with a written "good faith" proposal with a definite start date and time line for implementing the RI/FS within the 60 calendar day period, the U.S. EPA will extend the moratorium on commencement of the RI/FS work an additional 30 calendar days. The purpose of this additional time is to allow you and the Agency adequate time to finalize a settlement.

To further facilitate your ability to present a "good faith" proposal within the 60 day time limit, EPA is willing to meet with you or your representatives to discuss this matter further. Should you desire such a meeting, please contact Keith Rose, EPA's Harbor Island Site Project Manager, at (206) 442-7721.

Except in extraordinary circumstances explained in a written request, no extension to this 60 day period will be considered by the Agency. If a "good faith" proposal is not received within 60 calendar days, the U.S. EPA, pursuant to Section 122(e)(4) of SARA, may proceed to perform the RI/FS at the Lockheed Shipbuilding Property using public funds available to the Agency. This Special Notice does not preclude the Agency from performing other studies or investigations under Section 104(b) of CERCLA as modified by SARA.

If you are already involved in discussions with state or local authorities, engaged in voluntary action, or involved in a lawsuit involving the Site, you may continue such activities. This letter is not intended to advise or direct you to restrict or discontinue any such activities. You are advised, however, to report the status of the discussions or actions in your proposal to the Agency and to provide a copy of your proposal to any other parties involved in those discussions or actions. Also, pursuant to Section 122(e)(6) of CERCLA, specific authorization is required from U.S. EPA prior to undertaking any remedial action.

Should you decline to conduct the RI/FS voluntarily, please note that under Section 106(a) of CERCLA, PRPs may be ordered to implement relief actions deemed necessary by U.S. EPA to protect the public health, welfare or the environment from an imminent and substantial endangerment because of an actual or threatened release of a hazardous substance from the site. In addition, under Section 107(a) of CERCLA, PRPs may be liable for costs incurred by the government, through the use of public funds, while responding to any release or threatened release from the site. Such costs can include, but are not limited to, expenditures for planning, investigation, studies, clean-up, and enforcement.

Following completion of the RI/FS and any other necessary studies, U.S. EPA will determine the appropriate remedial action for the Lockheed Shipbuilding Property. You may then be contacted again to undertake implementation of such a remedy, possibly including design.

Your written response and any request for further information regarding this letter should be sent to:

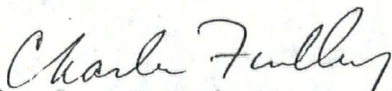
Keith Rose, Site Project Manager
Superfund Branch
U.S. Environmental Protection Agency
Region 10 (HW-113)
Seattle, Washington 98101
(206) 442-7721

If you have an attorney handling your legal matters, please direct his or her questions to Edward Kowalski, of the Office of Regional Counsel, U.S. EPA, Region 10, at (206) 442-6695.

By a copy of this letter, the Agency is notifying the State of Washington and the Natural Resource Trustees of our intent to enter negotiations for a RI/FS at this Site.

The Agency strongly encourages you to take immediate steps to familiarize yourself with the Site conditions and negotiate an agreement with the U.S. EPA to conduct an RI/FS. We hope that you will give this matter your immediate attention.

Sincerely,


Charles E. Findley, Director
Hazardous Waste Division

Enclosures

cc: Natural Resource Trustees
Michael Gallagher, DOE
Office of State Attorney General
Ann Morgan, DNR
David Bortz, DNR